

INFORMATION REPORT

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in Western Europe

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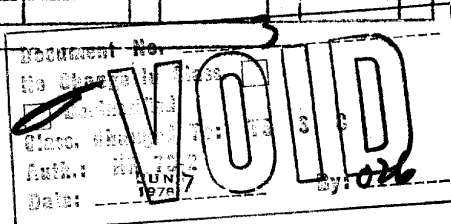
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1. The following persons are the top-level Hungarian economic representatives in Switzerland:

- a. Andreas L. Gal, recently named director of KELITEK, the Hungarian export-import monopoly. Gal, however, has the official title in highest Communist circles in Budapest of "Secret Armament Purchasing Agent for Hungary", since his chief mission is to acquire from Western Europe and the United States, by concealed means, arms and military-technical equipment for the Hungarian Army. Allegedly, sums amounting to several hundred thousand dollars are at Gal's disposal in secret accounts in the Schweizerische Bankgesellschaft in Zürich. Gal enjoys the highest esteem in circles closest to Rakosi. He has a wife and two children in Hungary who never accompany him on his travels outside the country, and, in any case, it is not believed that he would wish to defect.
- b. Dr. George Oblath, born 2 March 1918, representative in Switzerland of LIGNITEK, the Hungarian lumber monopoly. Oblath's activities are similar to those of Gal's, and it is believed that Oblath might be Gal's adjutant. Like Gal, Oblath represents a distinct state monopoly organization, but under this cover he seeks to purchase automotive equipment for military use, radio equipment, etc.
- c. Alexander Sebes, allegedly chief of the Economic Section of the Hungarian Communist Party in Budapest. Sebes, whose center is also Switzerland, is not engaged in purchasing activities as are Gal and Oblath but is believed to have the sole function of directing Hungarian financial and banking affairs in Switzerland—i.e., he purchases foreign currencies and arranges for the transfer of money accruing from Hungarian deals in Switzerland to the coffers of the Communist Parties of other countries. According to source, Sebes provided the Italian Communist Party with funds for campaign and election expenses from Hungarian accounts in Switzerland. Sebes is also stated to have managed the transfer of funds to the French Communist Party for the financing of the recent French strikes.

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2. Bela Revai, a Hungarian born on 10 February 1901 and now in Geneva, is reportedly the chief source of dollar-funds, which he acquires for the Hungarians in return for other foreign exchange. Revai works through Mobiliare Verkehrs A.G., Pelikanstrasse 22, Zürich, a company formed by former members of the Hungarian Escompte Bank. This bank was previously known to have financed Hungarian purchasing in the west even though most of its directors fled Communist Hungary. Persons closely associated with Mobiliare Verkehrs A.G. are Richard Tolnay, Alexander Winter, and Albin Csazy.
3. The visits to the Balkan countries during 1946-1947 of Lydia Woog, wife of the leading German-Swiss Communist, Edgar Woog, succeeded in procuring for the Swiss export-import company, Intra Handels A.G., Obstgartenstrasse 28, Zürich, a Communist-financed company, first choice of all business which the Balkan States wished to carry out in Western Europe. The firm Contrax A.G., directed by the leading Basel Communist, Hans Adam, was given second choice. The firm Transmontan A.G., Falkenstrasse 13, Zürich, was chosen to attract western financial participation in joint Hungarian-Russian mining enterprises.
4. Two officers of the Hungarian Legation in Bern, Josef Szall, political officer, and Janos Nyerges, Commercial Attaché, are reported to be kept advised of the activities of the above-named persons and companies in Switzerland; they offer diplomatic facilities when necessary and also attempt to coordinate agent activities of these persons. Agents of Nyerges are stated to be Tibor Remenyik, Bederstrasse 123, Zürich, representative of IKART, the Hungarian heavy-industry combine, and Stefan Büchler, Kirchenfeldstrasse 42, Bern.
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5. [REDACTED] Zoltan Vas, the former chief of Hungary's foreign commerce, now occupies a subordinate position in the Hungarian government and, although bearing the new title of "President of the Five-Year Plan", has little to do with this plan.

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